

0040

C/015/025 Incoming
cc: Priscilla
Joe
of

Hiawatha Coal Company

P.O. Box 1245
Huntington, Utah 84528



Office (435) 687-2450
FAX (435) 687-2084

October 3, 2008

Coal Program
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

To Whom It May Concern,

Re: Application to Change existing Mining Plan, Permit Transfer Task ID #3022 Bear Canyon Mine, ACT/015/025

Enclosed are five hard copies of the response for Task ID #3022

If you have any questions, please call me at (435) 687-5238.

Thank You,

E. Finley
Elliot Finley

Enclosure(s)

MR/mr

RECEIVED
OCT 09 2008
DIV. OF OIL, GAS & MINING

Response to Deficiencies Letter for Task #3022 Dated September 4, 2008 signed by Daron R. Haddock

Deficiency 1

R645-303-321.300 and R645-301-111.400 and R645-301-112.330

Gustafson departed before Hiawatha Coal bought the Bear Canyon Mine and the Bear Canyon Permit so the departure date is not applicable to the Bear Canyon Permit. The start date for the secretary at the time the permit was sold is included on page 1-1 of the application.

Deficiency 2

R645-303-321.300 and R645-301-112.100

The page with these items on it were emailed to Joe Helfrich on 8-28-08 at his request. We also cc a copy to Pete Hess because he is our inspector. It appears Joe replaced the original C1 and C2 forms with the ones sent on 8-28, but failed to replace some of the pages. We have included another copy of page 1-1 with this response.

Deficiency 3

R645-321.300 and R645-301-112.230

See comments on the above deficiency. Another copy of the updated page 1-1 has been included.

Deficiency 4

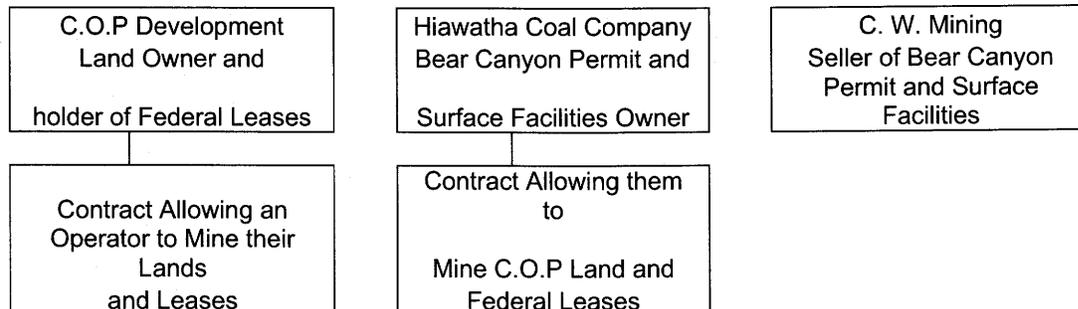
R645-303-321.300 and R645-301-112.310

See comments on Deficiency 2. Another copy of the updated page 1-1 has been included.

Deficiency 5

R645-303-321.300 and R645-301-112,420

The companies are completely independent companies. None of the companies share common officers, agents, or controllers. There are no common stock holders owning 10 to 50% stock in either company. Hiawatha Coal holds a lease with C.O.P. Development giving Hiawatha right-of-entry to all C.O.P. land and federal leases.



Deficiency 6

R645-303-321.300 and R645-301-121.200

The title of Table 1-1 located on page 1-2 is "Officers Authorized to Act on Behalf of Hiawatha Coal Company" we feel the title clearly indicates which company the officers represent so we made no changes.

The permit number for the Hiawatha Permit has been corrected to match the Division records

For the remaining items see the comments under Deficiency 2

Deficiency 7

R645-303-321.100

See comments under Deficiency 2

Deficiency 8

R645-303-322

As you can see from the following timeline the Division was reviewing the application concurrently with the public notice. Hiawatha Coal should not be punished for the Division misplacing the application and not getting it to the reviewers while the public notice was running.

Timeline

On June 24, 2008 Charles Reynolds, Elliot Finley, and Nathaniel Finely hand delivered the initial amendment to DOGM. Daron Haddock of the Division requested minor changes to the public notice.

On June 25, 2008 Charles Reynolds met with Mark Reynolds and the changes requested by Daron were made. The Sun Advocate was contacted and the updated amendment was mailed to the Division.

On July 1, 2008 The Sun Advocate published the notice. Melissa Reynolds made a copy of the actual newspaper and sent it to the Division

On July 28, 2008 Mark Reynolds called Daron Haddock for an update on the permit transfer. Daron called Mark back and told him the application had been lost and to please send another copy. He does state that Angela is on vacation and that she may be able to find it when she returns.

On August 28, 2008 Melissa Reynolds emailed a copy of the notarized public notice to Joe Helfrich and Pete Hess.

Deficiency 9

R645-303-323 and R645-301-820.100,

Hiawatha Coal is currently working on transferring the bond. Once the transfer is complete a copy of the new bond will be sent to the Division

Deficiency 10

R645-301-890

The updated liability insurance as been included.

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: CO-OP MINING COMPANY

Mine: BEAR CANYON MINE

Permit Number: ACT/015/025

Title: Permit Transfer

Description, Include reason for application and timing required to implement:

To Update the Ownership and Control Information

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?
<i>Explain:</i> _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Elliot Finley
Print Name

E. Finley, Pres., 10-1-08
Sign Name, Position, Date

Subscribed and sworn to before me this 1 day of October, 2008

Mark Reynolds
Notary Public

My commission Expires: 6-4, 2010
Attest: State of Utah } ss:
County of Emery



Notary Public
MARK REYNOLDS
378 North Bear Canyon Road
P.O. Box 1245
Huntington, Utah 84628
My Commission Expires
June 4, 2010
State of Utah

For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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R645-301-100 GENERAL CONTENTS

R645-301-112 Identification of Interests

112.100 Statement of corporation

~~C.W. Mining~~ Hiawatha Coal Company is a corporation, incorporated in the state of Utah. ~~C.W. Mining~~ Hiawatha Coal Company is the payer of the abandoned mine reclamation fee. Federal Identification Number: ~~87-0399230~~ 84-1418097.

112.200-230 Names, addresses, and telephone numbers of the applicant, and the applicant's resident agent who will accept service of process.

Applicant: ~~C.W. Mining Company~~ Hiawatha Coal Company, Inc.
53 West Angelo Ave 5550 West Bear Canyon Road
Salt Lake City, UT 84115 Huntington, UT 84528
(801) 486-5047 (435) 687-5777

Resident Agent ~~Charles Reynolds~~ Elliot Finley
P.O. Box 1245 5550 West Bear Canyon Road
Huntington, UT 84528 Huntington, UT 84528
(435) 687-2450 (435) 687-5777

112.300 For Applicants other than single proprietorships:

112.310 Name and address of each officer, partner, principal, principal shareholder, and director or other person performing a function similar to a director

C.O.P Coal Development Company is the fee area and leaseholder of lands within the permit area. C.O.P. Coal Development Company has subleased all fee and federal coal rights to ~~C.W. Mining~~ Hiawatha Coal Company for inclusion in the Bear Canyon LMU.

Corporate Office: C.O.P. Coal Development Co.
3212 South State Street
Salt Lake City, Utah 84115

Name	Title	Address
J. O. Kingston	President	53 West Angelo Ave, S.L.C., Ut. 84115
J. D. Kingston Jr.	Vice President	53 West Angelo Ave, S.L.C., Ut. 84115
Luanna Kingston	Sec./Treas.	53 West Angelo Ave, S.L.C., Ut. 84115

112.320 Not Applicable

112.330 The title of the person's position, date position was assumed, and when submitted under R645-300-147.

Table 1-1 Officers Authorized to Act on Behalf of ~~C.W. Mining~~ Hiawatha Coal Company

Name	Title	Address	Start Date
B. W. Stoddard Elliot Finley	President	P.O. Box 300, Huntington, Ut 84528 5550 West Bear Canyon Road, Huntington, UT 84528	01/01/76 06/30/97
C. W. Reynolds Nathaniel Finley	Vice Pres.	P.O. Box 1245, Huntington, Ut 84528 5550 West Bear Canyon, Huntington, UT 84528	07/01/04 06/30/97
D. J. Sanders Nathaniel Finley	Sec./Treas.	53 West Angelo Ave., S.L.C., Ut 84115 5550 West Bear Canyon Road, Huntington, UT 84528	06/17/93 06/30/97
C. W. Reynolds Elliot Finley	Res. Agent	P.O. Box 1245, Huntington, Ut 84528 5550 West Bear Canyon Road, Huntington, UT 84528	07/01/04 06/30/97

112.340 All names under which the applicant operates or previously operated a coal mine and reclamation operation in the United States within the 5 years preceding the date of application.

~~C.W. Mining is doing business as (DBA) Co-Op Mining Company~~

Not Applicable

112.350 Not Applicable

112.400 Pending, current, and previous coal mining and reclamation operation permit applications.

~~C/015/021 Utah Division of Oil Gas and Mining~~
C/015/025 Utah Division of Oil Gas and Mining
C/007/011 Utah Division of Oil Gas and Mining

112.410 Federal or State permit numbers and MSHA numbers, the date of issuance, and the regulatory authority.

See Table 1-2 on the following page.

ALURU CERTIFICATE OF LIABILITY INSURANCE

No. 0535

P. 2

8/5/2008

PRODUCER

Young Insurance Group LLC
 2580 West 4700 South
 Taylorsville, UT 84118
 (801) 417-8088

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Hiawatha Coal Company
 P.O. Box 1240
 Huntington, UT 84528
 (435) 687-5777

INSURERS AFFORDING COVERAGE

INSURER A	NAIC#
AIG	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INER LTR	ADDL INBRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMSMADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> GENL AGGREGATE LIMIT APPLIES PFR <input type="checkbox"/> POLICY <input type="checkbox"/> PRD-TEST <input type="checkbox"/> LOC	GL 360 21 36	6/24/2008	1/1/2009	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPIOP AGG \$ 1,000,000
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY EA ACC \$ AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMSMADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				WC STATUTORY LIMITS OTHER \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

BEAR CANYON MINE PERMIT # C-015-0025
 COVERAGE IS PROVIDED FOR DAMAGE INCURRED FROM THE USE OF EXPLOSIVES

CERTIFICATE HOLDER

DIVISION OF OIL, GAS, & MINING
 1594 WEST NORTH TEMPLE
 BOX 145801
 SALT LAKE CITY, UT 84114-5801
 ATTN: PAM
 FAX (801) 359-3940

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF THE ISSUING INSURER WILL MAIL ~~THE POLICY~~ ~~30~~ 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. ~~BY FAX~~
~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~
 AUTHORIZED REPRESENTATIVE

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

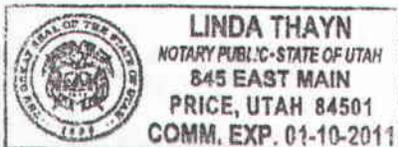
I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 1 (One) consecutive issues, and that the first publication was on the 1st day of July, 2008 and that the last publication of such notice was in the issue of such newspaper dated the 1st day of July, 2008.

Richard Shaw - Publisher

Subscribed and sworn to before me this 1st day of July, 2008.

Notary Public My commission expires January 10, 2011 Residing at Price, Utah

Publication fee, \$ 107.28



NOTICE

Co-Op Mining Company, PO Box 1245, Huntington, UT, 84528 hereby announces its intent to transfer Permit No. C/015/025, originally issued November 1, 1985 and last renewed November 2, 2005 to Hiawatha Coal Company. The Bear Canyon Mine is located in Bear Canyon, approximately 12 road miles west of Huntington, Utah. The permit area, found on the USGS Hiawatha Quadrangle map, is described as follows:

- A. T16S, R7E SLBM Sec. 1 Lots 1 and 2, S1/2 NE1/4, SE1/4
- Sec. 10 N1/2, N1/2 S1/2, SE1/4 SW1/4, S1/2 SE1/4
- Sec. 11 All
- Sec. 12 All
- Sec. 13 All
- Sec. 14 NE1/4, E1/2 NW1/4, S1/2
- Sec. 23 E1/2, E1/2 W1/2
- Sec. 24 All
- Sec. 25 All
- Sec. 26 N1/2NE1/4, N1/2SW1/4NE1/4 and the access/haul road as shown on Plate 1-1 of the Bear Canyon Mining and Reclamation Plan
- T16S, R8E SLBM Sec. 6 Lots 11-14, E1/2 SW1/4, W1/2 SE1/4, SE1/4 SE1/4
- Sec. 7 All
- Sec. 8 W1/2, W1/2E1/2
- Sec. 16 All
- Sec. 17 All
- Sec. 18 All
- Sec. 19 N1/2, SW1/4, N1/2SE1/4, SW1/4SE1/4
- Sec. 20 N1/2, N1/2SW1/4, NE1/4SE1/4
- Sec. 21 N1/2, SE1/4, N1/2SW1/4, SE1/4SW1/4
- Sec. 30 W1/2, W1/2 NE1/4, NW1/4 SE1/4
- Sec. 31 NE1/4 NW1/4, NW1/4 NE1/4

Written comments, objections, or requests for informal conference should be directed to the Utah Division of Oil, Gas, & Mining, PO Box 145801, Salt Lake City, Utah, 84114-5801. Copies of the transfer current mining plan are available for public inspection at the office of the Utah Division of Oil, Gas, & Mining, Salt Lake City, and at the Emery County Recorder's Office, Emery County Courthouse, Castle Dale, Utah, 84513.

Published in the Emery County Progress July 1, 2008.

C.O.P. COAL DEVELOPMENT COMPANY
53 West Angelo Avenue
Salt Lake City, Utah 84115

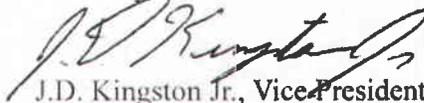
August 19, 2008

Coal Program
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

To Whom it may concern,

Please be advised that C.O.P. Coal Development Company is the record owner of the fee ground and Federal Coal Lease #'s 020668, 024316, 024318, 38727, 46484, 61048 and 61049, located in Bear Canyon, Emery County, Utah, which includes all of the real property involved in Permit No. Act/015/025. C.O.P. is currently leasing all of the property to Hiawatha Coal Company and the lease permits Hiawatha Coal Company to use the land for coal mining and related activities. This lease agreement will automatically be extended without amendments unless either party gives 30 days written notice of cancellation.

Sincerely,



J.D. Kingston Jr., Vice President
C.O.P. Coal Development Company

Agreement

This agreement made and entered in this 19 day of August 2008, by and between C.O.P. Development (C.O.P.) and Hiawatha Coal Company, a Utah Corporation, (Hiawatha Coal) WHEREAS, there is an existing road in emery county known as Bear Canyon Road, and WHEREAS, Hiawatha Coal requires extensive use of said road, and WHEREAS, C.O.P. Is the owner of the private portion of the road, NOW, THEREFORE, be it agreed as follows:

1. The parties hereto agree and acknowledge that the southern 0.65 Miles of the road known as Bear Canyon Road is a county road. Said county road runs from State Road 31 in a northerly direction for approximately 0.65 Miles to a presently existing gate. Thereafter the road is a private road owned by C.O.P.
2. Hiawatha Coal will indemnify and defend C.O.P. For any damage caused, or loss incurred to or claim made by any public or private individual, firm, group, association, partnership or corporation as a result of any mining related activities conducted on the private road.
3. Hiawatha Coal agrees to allow access to other property served by Bear Canyon Road. Said access shall be allowed to the owner of the property, their successor in interest or any other individual, firm, group, association, partnership or corporation who requires access due to their association with the owner or because the owner has granted permission to the individual, firm, group, association, partnership or corporation to go upon his property. Hiawatha Coal will not withhold access due to the type of activity which the then owner or his agents, employees or invitees intend to or in fact conduct.
4. It is further understood that any additional improvements of Bear Canyon Road will be at the expense of all primary users.
5. Hiawatha Coal agrees to reclaim the private Bear Creek Road according to the specifications outlined below.
 - a) Hiawatha Coal will completely reclaim all portions of the road except those areas required for access to the hunting cabin.
 - b) Hiawatha Coal will leave the road access to the hunting cabin at least 20 feet wide and at a slope not greater than 20%.
 - c) Hiawatha Coal agrees to leave all upgrades to the hunting cabin access road in place. These upgrades include, but are not limited to road base, asphalt, concrete, and drainage controls.
 - d) C.O.P. Reserves the right to require Hiawatha Coal to leave any additional portions or all portions of Bear Canyon Road intact post-mining at C.O.P.'s discretion.

IN WITNESS WHEREOF, this agreement is executed the day and year above.

C.O.P. Development

By J. D. King
Officer C.O.P. Development

IN WITNESS WHEREOF this agreement is executed at Huntington, Utah. Dated this 19 day of August 2008

Hiawatha Coal company

By N. Finley
Officer Hiawatha Coal